

Rural marketing assignment

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Buys small packs, low unit price more important than economy In rural India, brands rarely fight with each other; they just have to be present at the right place Many brands are building strong rural base without much advertising us port o Chick shampoo, second largest shampoo brand o Shade detergent, third largest brand Fewer brand choices in rural: number of FMC brand in rural is half that of urban Buy value for money, not cheap products Why Different Strategies?

Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non availability of retail outlets are major problems faced by the marketers. The success of a brand in he Indian rural market is as unpredictable as rain. Many brands, which should have been successful, have failed miserably.

This is because, most firms try to extend marketing plans that they use in urban areas to the rural markets. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. The main problems in rural marketing are: Understanding the rural consumer

Poor infrastructure Physical Distribution Channel Management Promotion and Marketing Communication Dynamics of rural markets differ from other market types, and similarly rural marketing strategies are also significantly

different from the marketing strategies aimed at an urban or industrial consumer. Opportunities Infrastructure is improving rapidly. O In 50 years only 40% villages connected by road, in next 10 years another 30% o More than 90 % villages electrified, though only 44% rural homes have electric connections o Rural telephone density has gone up by 300% in the last 10 years; every 1 000+ pop is connected by STUD Social

The consumption level goes high post-monsoon and dries up during the non-crop period. Disposable Income: The unit disposable consumption level is very low and the assortment has to be made in a different size compared to the urban market to suit it to the rural customer's pocket. Multiplicity of assortment adds up to the cost level of the product and works against adding experience effect to the production. Furthermore, the distributed settlement and high transportation cost makes it potentially less feasible for many companies to launch products for rural consumption.

Literacy level: Low level of education creates problem in brand identification. Since rural consumers often cannot read the brand names and price tags, it makes it easier for the clones to launch brands similar in label and design and spoil the brand image of the so-called successful urban brands.

Unscrupulous retailers are taking the benefit and damaging the perception of the brands before they actually enter the rural market. So marketers and advertisers are looking for an alternative medium to promote brands through advertising.

The success of a business in India will be decided in future by its success in the heart of India, I. E. , the rural market. Rural marketing in India needs

some innovative and alternative media to woo the customers. The conventional wisdom of glossy urban advertising and fantasy mix through television is not going to work in the rural markets. Marketing Communication Challenges: Marketing communication and promotion poses a lot of problems in rural India.